



January 22, 2016

HOUSE BILL No. 1001

DIGEST OF HB 1001 (Updated January 20, 2016 12:35 pm - DI 103)

Citations Affected: IC 4-10; IC 6-2.5; IC 6-3.5; IC 6-3.6; IC 6-6; IC 6-7; IC 6-8.1; IC 8-14; IC 8-15; IC 8-23; IC 9-29; IC 35-52; noncode.

Synopsis: Road funding. Provides for the transfer of the state's excess reserves to the local road and bridge matching grant fund and the state highway fund. Provides that use tax collected on sales of gasoline is distributed differently than ordinary sales and use tax collections. Provides that a county may impose the county motor vehicle license excise surtax and the county wheel tax at higher rates if the county uses a transportation asset management plan approved by the department. Authorizes an eligible municipality to impose a municipal motor vehicle excise surtax and a municipal wheel tax. Authorizes an adopting body of a county to specify that a part of the county's local income tax revenue is to be used for road and bridge projects. Increases the gasoline tax from the current rate of 18 cents per gallon to an indexed rate to be determined by the department of revenue. Increases the special fuel tax from the current rate of 16 cents per gallon to an indexed rate to be determined by the department of revenue. Increases the motor carrier surcharge tax from the current rate of 11 cents per gallon to an indexed rate to be determined by the department of revenue. Increases the cigarette tax to \$1.995 per pack and uses the additional revenue for reimbursements of Medicaid providers. Requires the department of revenue to study methods of indexing fuel tax rates and report to the interim study committee on roads and transportation. Provides that money that may be transferred from the major moves 2020 trust fund to the major moves construction fund in the state fiscal year beginning July 1, 2016, under current law may be transferred
(Continued next page)

Effective: Upon passage; July 1, 2016; January 1, 2017.

Soliday, Brown T, Steuerwald

January 11, 2016, read first time and referred to Committee on Roads and Transportation.
January 21, 2016, amended, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 127.

HB 1001—LS 6958/DI 113



Digest Continued

instead to the state highway fund and used for preserving and reconstructing existing roads and bridges for which the department is responsible. Requires the department to seek a waiver from the Federal Highway Administration to toll lanes on Interstate 65, Interstate 70, and Interstate 80/94. Requires the department to conduct a feasibility study of tolling on those interstates. Establishes the local road and bridge matching grant fund. Requires a person who registers an electric vehicle to pay a supplemental registration fee of \$100. Makes appropriations for various highway and bridge maintenance purposes. Appropriates \$250,000 to the department for the local technical assistance program to develop a data collection system. Appropriates \$2,000,000 to the state department of health for the tobacco use prevention and cessation program. Repeals provisions requiring excess state reserves in an odd-numbered state fiscal year to be used for an automatic taxpayer refund and the pension stabilization fund.

HB 1001—LS 6958/DI 113



January 22, 2016

Second Regular Session of the 119th General Assembly (2016)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in *this style type*, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2015 Regular Session of the General Assembly.

HOUSE BILL No. 1001

A BILL FOR AN ACT to amend the Indiana Code concerning state and local funding and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-10-22-1, AS AMENDED BY P.L.213-2015,
2 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 1. ~~(a)~~ After the end of each ~~odd-numbered~~
4 state fiscal year, the office of management and budget shall calculate
5 in the customary manner the total amount of state reserves as of the end
6 of the state fiscal year. The office of management and budget shall
7 make the calculation not later than July 31 of each ~~odd-numbered~~ year.

8 ~~(b) The office of management and budget may not consider a~~
9 ~~balance in the state tuition reserve account established by~~
10 ~~IC 4-12-1-15.7 when making the calculation required by subsection (a):~~

11 SECTION 2. IC 4-10-22-2, AS AMENDED BY P.L.160-2012,
12 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 UPON PASSAGE]: Sec. 2. If

14 ~~(†)~~ the total amount of state reserves calculated by the office of
15 management and budget exceeds ~~twelve eleven~~ and five-tenths

HB 1001—LS 6958/DI 113



1 percent (~~12.5%~~) **(11.5%)** of the general revenue appropriations
 2 for the current state fiscal year, and
 3 ~~(2) the accounts payable by the state at the end of the preceding~~
 4 ~~state fiscal year are not unusually large as a percentage of the total~~
 5 ~~amount of state reserves (as compared to recent history);~~

6 the governor shall make a presentation to the state budget committee
 7 regarding the disposition of excess state reserves under section 3 of this
 8 chapter. The presentation must be made not later than September 30 of
 9 each ~~odd-numbered~~ year.

10 SECTION 3. IC 4-10-22-3, AS AMENDED BY P.L.91-2014,
 11 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 UPON PASSAGE]: Sec. 3. ~~(a) If,~~ After completing the presentation to
 13 the state budget committee described in section 2 of this chapter, ~~the~~
 14 ~~amount of the excess reserves is fifty million dollars (\$50,000,000) or~~
 15 ~~more,~~ the governor shall do the following:

16 ~~(1) If the year is calendar year 2013, transfer one hundred percent~~
 17 ~~(100%) of the excess reserves to the pension stabilization fund~~
 18 ~~established by IC 5-10.4-2-5 for the purposes of the pension~~
 19 ~~stabilization fund. If the year is calendar year 2014 or thereafter,~~
 20 ~~transfer fifty percent (50%) of any excess reserves to the pension~~
 21 ~~stabilization fund established by IC 5-10.4-2-5 for the purposes of~~
 22 ~~the pension stabilization fund.~~

23 ~~(2) If the year is calendar year 2014 or thereafter, use fifty percent~~
 24 ~~(50%) of any excess reserves for the purposes of providing an~~
 25 ~~automatic taxpayer refund under section 4 of this chapter.~~

26 **(1) If the presentation concerns the excess reserves for the**
 27 **state fiscal year beginning July 1, 2015, direct the auditor of**
 28 **state to make the following transfers:**

29 **(A) To the local road and bridge matching grant fund**
 30 **established under IC 8-23-30, the lesser of the following:**

31 **(i) Thirty million dollars (\$30,000,000).**

32 **(ii) The amount of the excess reserves for the state fiscal**
 33 **year beginning July 1, 2015.**

34 **(B) To the state highway fund created by IC 8-23-9-54, the**
 35 **amount, if any, of the excess reserves remaining after**
 36 **making the transfer described in clause (A).**

37 **(2) If the presentation concerns the excess reserves for a state**
 38 **fiscal year beginning after June 30, 2016, direct the auditor of**
 39 **state to transfer one hundred percent (100%) of the excess**
 40 **reserves to the state highway fund created by IC 8-23-9-54.**

41 **(b) Money transferred to the state highway fund under this**
 42 **section does not revert to the state general fund at the end of a state**



1 **fiscal year.**

2 SECTION 4. IC 4-10-22-4 IS REPEALED [EFFECTIVE UPON
3 PASSAGE]. Sec. 4. The following apply if sufficient excess state
4 reserves are available to provide an automatic taxpayer refund to each
5 taxpayer eligible for a refund:

6 (1) To qualify for a refund, a taxpayer:

7 (A) must have filed an Indiana resident individual adjusted
8 gross income tax return for the taxpayer's taxable year ending
9 in the calendar year immediately preceding the calendar year
10 in which a determination is made under section † of this
11 chapter that the state has excess reserves; and

12 (B) must have adjusted gross income tax liability for the
13 taxpayer's taxable year ending in the calendar year in which a
14 determination is made under section † of this chapter that the
15 state has excess reserves.

16 (2) The amount of the refund is determined for each qualifying
17 taxpayer as follows:

18 STEP ONE: Determine the total amount of excess state
19 reserves that under section 3 of this chapter are available to
20 provide automatic taxpayer refunds.

21 STEP TWO: Determine the total number of taxpayers that
22 qualify for a refund under subdivision (1).

23 STEP THREE: Determine the result of:

24 (A) the STEP ONE result; divided by

25 (B) the STEP TWO result;

26 as rounded to the nearest dollar.

27 (3) The refund is a refundable credit that shall first be applied as
28 a credit against adjusted gross income tax liability in the
29 taxpayer's taxable year in which a refund is provided. Any
30 remaining unused credit shall be refunded to the taxpayer. The
31 credit may not be carried forward.

32 (4) If an individual and the individual's spouse are both qualifying
33 taxpayers for purposes of this section for a taxable year and file
34 a joint Indiana resident individual adjusted gross income tax
35 return for the taxable year:

36 (A) the individual and the individual's spouse are considered
37 two (2) taxpayers for purposes of determining the amount of
38 the refund under subdivision (2) for a qualifying taxpayer; and

39 (B) the amount of the refund that the individual and the
40 individual's spouse are entitled to claim is equal to the amount
41 of any refund determined under subdivision (2) for a
42 qualifying taxpayer; multiplied by two (2).



1 SECTION 5. IC 4-10-22-5, AS ADDED BY P.L.229-2011,
 2 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 UPON PASSAGE]: Sec. 5. ~~There is~~ **Amounts transferred under**
 4 **sections 3(a)(1)(B) and 3(a)(2) of this chapter are annually**
 5 **appropriated a sufficient amount in a state fiscal year to carry out this**
 6 **chapter. from the state highway fund to the Indiana department of**
 7 **transportation for the Indiana department of transportation's use**
 8 **for preserving and reconstructing existing state highways and**
 9 **bridges for which the Indiana department of transportation is**
 10 **responsible.**

11 SECTION 6. IC 6-2.5-10-1, AS AMENDED BY P.L.205-2013,
 12 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2016]: Sec. 1. (a) The department shall account for all state
 14 gross retail and use taxes that it collects.

15 **(b) Of all the state gross retail and use taxes that the department**
 16 **collects, the department shall determine separately the parts that:**

17 **(1) the department collects under IC 6-2.5-3.5; and**

18 **(2) the department collects under this article, less the amount**
 19 **described in subdivision (1).**

20 **(c) The department shall deposit those collections described in**
 21 **subsection (b)(1) in the following manner:**

22 **(1) Twenty-eight and five hundred seventy-one thousandths**
 23 **percent (28.571%) of the collections shall be paid into the**
 24 **state general fund.**

25 **(2) Forty-two and eight hundred fifty-seven thousandths**
 26 **percent (42.857%) of the collections shall be deposited in the**
 27 **motor vehicle highway account established under IC 8-14-1.**

28 **(3) Fourteen and two hundred eighty-six thousandths percent**
 29 **(14.286%) of the collections shall be deposited in the state**
 30 **highway fund created by IC 8-23-9-54.**

31 **(4) Fourteen and two hundred eighty-six thousandths percent**
 32 **(14.286%) of the collections shall be deposited in the local**
 33 **road and bridge matching grant fund established under**
 34 **IC 8-23-30.**

35 ~~(b)~~ **(d) The department shall deposit those collections described in**
 36 **subsection (b)(2) in the following manner:**

37 **(1) ~~Ninety-eight~~ **Ninety-nine** and eight hundred forty-eight**
 38 **thirty-eight thousandths percent (~~98.848%~~) (99.838%) of the**
 39 **collections shall be paid into the state general fund.**

40 **(2) ~~One~~ percent (1%) of the collections shall be deposited in the**
 41 **motor vehicle highway account established under IC 8-14-1.**

42 **(~~3~~) ~~Twenty-nine~~ thousandths of one percent (~~0.029%~~) (2)**



1 **Thirty-one thousandths of one percent (0.031%)** of the
 2 collections shall be deposited into the industrial rail service fund
 3 established under IC 8-3-1.7-2.

4 ~~(4)~~ **(3)** One hundred ~~twenty-three~~ **thirty-one** thousandths of one
 5 percent ~~(0.123%)~~ **(0.131%)** of the collections shall be deposited
 6 into the commuter rail service fund established under
 7 IC 8-3-1.5-20.5.

8 SECTION 7. IC 6-3.5-4-2, AS AMENDED BY P.L.249-2015,
 9 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JULY 1, 2016]: Sec. 2. (a) An adopting entity of any county may,
 11 subject to the limitation imposed by subsection ~~(d)~~; **(f)**, adopt an
 12 ordinance to impose an annual license excise surtax on each motor
 13 vehicle listed in subsection ~~(e)~~ **(e)** that is registered in the county.

14 **(b) If a county does not use a transportation asset management**
 15 **plan approved by the Indiana department of transportation, the**
 16 **adopting entity of the county may impose the surtax either:**

- 17 (1) at a rate of not less than two percent (2%) nor more than ten
 18 percent (10%); or
 19 (2) at a specific amount of at least seven dollars and fifty cents
 20 (\$7.50) and not more than twenty-five dollars (\$25).

21 However, the surtax on a vehicle may not be less than seven dollars and
 22 fifty cents (\$7.50). The adopting entity shall state the surtax rate or
 23 amount in the ordinance which imposes the tax.

24 **(c) If a county uses a transportation asset management plan**
 25 **approved by the Indiana department of transportation, the**
 26 **adopting entity of the county may impose the surtax either:**

- 27 **(1) at a rate of at least two percent (2%) and not more than**
 28 **twenty percent (20%); or**
 29 **(2) at a specific amount of at least seven dollars and fifty cents**
 30 **(\$7.50) and not more than fifty dollars (\$50).**

31 **However, the surtax on a vehicle may not be less than seven dollars**
 32 **and fifty cents (\$7.50). The adopting entity shall state the surtax**
 33 **rate or amount in the ordinance that imposes the tax.**

34 ~~(b)~~ **(d)** Subject to the limits and requirements of this section, the
 35 adopting entity may do any of the following:

- 36 (1) Impose the annual license excise surtax at the same rate or
 37 amount on each motor vehicle that is subject to the tax.
 38 (2) Impose the annual license excise surtax on vehicles subject to
 39 the tax at one (1) or more different rates based on the class of
 40 vehicle listed in subsection ~~(e)~~; **(e)**.

41 ~~(c)~~ **(e)** The license excise surtax applies to the following vehicles:
 42 (1) Passenger vehicles.



- 1 (2) Motorcycles.
- 2 (3) Trucks with a declared gross weight that does not exceed
- 3 eleven thousand (11,000) pounds.
- 4 (4) Motor driven cycles.
- 5 ~~(d)~~ (f) The adopting entity may not adopt an ordinance to impose the
- 6 surtax unless it concurrently adopts an ordinance under IC 6-3.5-5 to
- 7 impose the wheel tax.
- 8 ~~(e)~~ (g) Notwithstanding any other provision of this chapter or
- 9 IC 6-3.5-5, ordinances adopted by a county council before June 1,
- 10 2013, to impose or change the annual license excise surtax and the
- 11 annual wheel tax in the county remain in effect until the ordinances are
- 12 amended or repealed under this chapter or IC 6-3.5-5.
- 13 SECTION 8. IC 6-3.5-5-2, AS AMENDED BY P.L.205-2013,
- 14 SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 15 JULY 1, 2016]: Sec. 2. (a) The adopting entity of any county may,
- 16 subject to the limitation imposed by subsection (b), adopt an ordinance
- 17 to impose an annual wheel tax on each vehicle that:
- 18 (1) is included in one (1) of the classes of vehicles listed in
- 19 section 3 of this chapter;
- 20 (2) is not exempt from the wheel tax under section 4 of this
- 21 chapter; and
- 22 (3) is registered in the county.
- 23 (b) The adopting entity of a county may not adopt an ordinance to
- 24 impose the wheel tax unless it concurrently adopts an ordinance under
- 25 IC 6-3.5-4 to impose the annual license excise surtax.
- 26 (c) The adopting entity may impose the wheel tax at a different rate
- 27 for each of the classes of vehicles listed in section 3 of this chapter. In
- 28 addition, the adopting entity may establish different rates within the
- 29 classes of buses, semitrailers, trailers, tractors, and trucks based on
- 30 weight classifications of those vehicles that are established by the
- 31 bureau of motor vehicles for use throughout Indiana. However, the
- 32 wheel tax rate for a particular class or weight classification of vehicles:
- 33 (1) may not be less than five dollars (\$5) and may not exceed
- 34 forty dollars (\$40), **if the county does not use a transportation**
- 35 **asset management plan approved by the Indiana department**
- 36 **of transportation; or**
- 37 (2) **may not be less than five dollars (\$5) and may not exceed**
- 38 **eighty dollars (\$80), if the county uses a transportation asset**
- 39 **management plan approved by the Indiana department of**
- 40 **transportation.**
- 41 The adopting entity shall state the initial wheel tax rates in the
- 42 ordinance that imposes the tax.



1 SECTION 9. IC 6-3.5-10 IS ADDED TO THE INDIANA CODE
 2 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 3 UPON PASSAGE]:

4 **Chapter 10. Municipal Motor Vehicle License Excise Surtax**

5 **Sec. 1. The following definitions apply throughout this chapter:**

- 6 (1) "Adopting municipality" means an eligible municipality
 7 that has adopted the surtax.
 8 (2) "Eligible municipality" means a municipality having a
 9 population of at least twenty thousand (20,000).
 10 (3) "Fiscal body" has the meaning set forth in IC 36-1-2-6.
 11 (4) "Fiscal officer" has the meaning set forth in IC 36-1-2-7.
 12 (5) "Motor vehicle" means a vehicle that is subject to the
 13 annual license excise tax imposed under IC 6-6-5.
 14 (6) "Municipality" has the meaning set forth in IC 36-1-2-11.
 15 (7) "Surtax" means the annual license excise surtax imposed
 16 by the fiscal body of an eligible municipality under this
 17 chapter.

18 **Sec. 2. (a) The fiscal body of an eligible municipality may,**
 19 **subject to subsections (d) and (e), adopt an ordinance to impose an**
 20 **annual license excise surtax on each motor vehicle listed in**
 21 **subsection (c) that is registered in the eligible municipality. The**
 22 **eligible municipality may impose the surtax at a specific amount**
 23 **of:**

- 24 (1) at least seven dollars and fifty cents (\$7.50); and
 25 (2) not more than twenty-five dollars (\$25).

26 **The eligible municipality shall state the surtax rate or amount in**
 27 **the ordinance that imposes the tax.**

28 **(b) Subject to the limits and requirements of this section, the**
 29 **fiscal body of an eligible municipality may do any of the following:**

- 30 (1) Impose the annual license excise surtax at the same
 31 amount on each motor vehicle that is subject to the tax.
 32 (2) Impose the annual license excise surtax on vehicles subject
 33 to the tax at one (1) or more different amounts based on the
 34 class of vehicle listed in subsection (c).

35 **(c) The license excise surtax applies to the following vehicles:**

- 36 (1) Passenger vehicles.
 37 (2) Motorcycles.
 38 (3) Trucks with a declared gross weight that does not exceed
 39 eleven thousand (11,000) pounds.
 40 (4) Motor driven cycles.

41 **(d) The fiscal body of an eligible municipality may not adopt an**
 42 **ordinance to impose the surtax unless the fiscal body concurrently**



1 adopts an ordinance under IC 6-3.5-11 to impose the municipal
2 wheel tax.

3 (e) The fiscal body of an eligible municipality may not adopt a
4 ordinance to impose the surtax unless the eligible municipality uses
5 a transportation asset management plan approved by the Indiana
6 department of transportation.

7 **Sec. 3.** If the fiscal body of an eligible municipality adopts an
8 ordinance imposing the surtax after December 31 but before July
9 1 of the following year, a motor vehicle is subject to the tax if the
10 motor vehicle is registered in the adopting municipality after
11 December 31 of the year in which the ordinance is adopted. If the
12 fiscal body of an eligible municipality adopts an ordinance
13 imposing the surtax after June 30 but before the following January
14 1, a motor vehicle is subject to the tax if the motor vehicle is
15 registered in the adopting municipality after December 31 of the
16 year following the year in which the ordinance is adopted.
17 However, in the first year the surtax is effective, the surtax does
18 not apply to the registration of a motor vehicle for the registration
19 year that commenced in the calendar year preceding the year the
20 surtax is first effective.

21 **Sec. 4. (a)** After January 1 but before July 1 of any year, the
22 fiscal body of an adopting municipality may, subject to the
23 limitations imposed by subsection (b), adopt an ordinance to
24 rescind the surtax. If a fiscal body adopts an ordinance to rescind
25 the surtax, the surtax does not apply to a motor vehicle registered
26 after December 31 of the year in which the ordinance is adopted.

27 (b) A fiscal body may not adopt an ordinance to rescind the
28 surtax unless the fiscal body concurrently adopts an ordinance
29 under IC 6-3.5-11 to rescind the municipal wheel tax.

30 **Sec. 5.** The fiscal body of an adopting municipality may adopt
31 an ordinance to increase or decrease the surtax amount. The new
32 surtax amount must be within the range of amounts prescribed by
33 section 2 of this chapter. A new amount that is established by an
34 ordinance that is adopted after December 31 but before July 1 of
35 the following year applies to motor vehicles registered after
36 December 31 of the year in which the ordinance to change the
37 amount is adopted. A new amount that is established by an
38 ordinance that is adopted after June 30 but before January 1 of the
39 following year applies to motor vehicles registered after December
40 31 of the year following the year in which the ordinance is adopted.

41 **Sec. 6.** If the fiscal body of an eligible municipality adopts an
42 ordinance to impose, rescind, or change the amount of the surtax,



1 the fiscal body shall send a copy of the ordinance to the
2 commissioner of the bureau of motor vehicles.

3 **Sec. 7.** A person may not register a motor vehicle in an adopting
4 municipality unless the person pays the surtax due, if any, to the
5 bureau of motor vehicles. The amount of the surtax due equals the
6 amount established under section 2 of this chapter. The bureau of
7 motor vehicles shall collect the surtax due, if any, at the time a
8 motor vehicle is registered.

9 **Sec. 8. (a)** If a vehicle has been acquired or brought into
10 Indiana, or for any other reason becomes subject to registration
11 after the regular annual registration date in the year on or before
12 which the owner of the vehicle is required under the motor vehicle
13 registration laws of Indiana to register vehicles, the amount of the
14 surtax shall be reduced in the same manner as the excise tax is
15 reduced under IC 6-6-5-7.2.

16 **(b)** The owner of a vehicle who sells the vehicle in a year in
17 which the owner has paid the surtax imposed by this chapter is
18 entitled to receive a credit that is calculated in the same manner
19 and subject to the same requirements as the credit for the excise
20 tax under IC 6-6-5-7.2.

21 **(c)** If the name of the owner of a vehicle is legally changed and
22 the change has caused a change in the owner's annual registration
23 date, the surtax liability of the owner shall be adjusted in the same
24 manner as excise taxes are adjusted under IC 6-6-5-7.2.

25 **Sec. 9.** On or before the tenth day of the month following the
26 month in which the surtax is collected, the bureau of motor vehicles
27 shall remit the surtax to the fiscal officer of the adopting
28 municipality that imposed the surtax. Concurrently with the
29 remittance, the bureau of motor vehicles shall file a surtax
30 collections report prepared on forms prescribed by the state board
31 of accounts with the fiscal officer of the adopting municipality.

32 **Sec. 10. (a)** The fiscal officer of an adopting municipality shall
33 deposit the surtax revenues in a fund to be known as the
34 "municipal surtax fund".

35 **(b)** An adopting municipality may use the surtax revenues that
36 the adopting municipality receives under this section only to
37 construct, reconstruct, repair, or maintain streets and roads under
38 the adopting municipality's jurisdiction.

39 **Sec. 11.** On or before August 1 of each year, the fiscal officer of
40 an adopting municipality shall provide the fiscal body of the
41 adopting municipality with an estimate of the surtax revenues to be
42 received by the adopting municipality during the next calendar



1 year. The adopting municipality shall include the estimated surtax
2 revenues in the adopting municipality's budget estimate for the
3 calendar year.

4 **Sec. 12.** The department or the bureau of motor vehicles, as
5 applicable, may impose a service charge under IC 9-29 for each
6 surtax collected under this chapter.

7 **Sec. 13. (a)** The owner of a motor vehicle who knowingly
8 registers the vehicle without paying the surtax imposed under this
9 chapter with respect to that registration commits a Class B
10 misdemeanor.

11 **(b)** An employee of the bureau of motor vehicles who recklessly
12 issues a registration on any motor vehicle without collecting the
13 surtax imposed under this chapter with respect to that registration
14 commits a Class B misdemeanor.

15 SECTION 10. IC 6-3.5-11 IS ADDED TO THE INDIANA CODE
16 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
17 UPON PASSAGE]:

18 **Chapter 11. Municipal Wheel Tax**

19 **Sec. 1.** The following definitions apply throughout this chapter:

- 20 (1) "Adopting municipality" means an eligible municipality
- 21 that has adopted the wheel tax.
- 22 (2) "Branch office" means a branch office of the bureau of
- 23 motor vehicles.
- 24 (3) "Bus" has the meaning set forth in IC 9-13-2-17(a).
- 25 (4) "Commercial motor vehicle" has the meaning set forth in
- 26 IC 6-6-5.5-1(c).
- 27 (5) "Department" refers to the department of state revenue.
- 28 (6) "Eligible municipality" means a municipality having a
- 29 population of at least twenty thousand (20,000).
- 30 (7) "In-state miles" has the meaning set forth in
- 31 IC 6-6-5.5-1(i).
- 32 (8) "Political subdivision" has the meaning set forth in
- 33 IC 34-6-2-110.
- 34 (9) "Recreational vehicle" has the meaning set forth in
- 35 IC 9-13-2-150.
- 36 (10) "Semitrailer" has the meaning set forth in
- 37 IC 9-13-2-164(a).
- 38 (11) "State agency" has the meaning set forth in
- 39 IC 34-6-2-141.
- 40 (12) "Tractor" has the meaning set forth in IC 9-13-2-180.
- 41 (13) "Trailer" has the meaning set forth in IC 9-13-2-184(a).
- 42 (14) "Truck" has the meaning set forth in IC 9-13-2-188(a).



1 (15) "Wheel tax" means the tax imposed under this chapter.
2 Sec. 2. (a) The fiscal body of an eligible municipality may,
3 subject to subsections (b) and (c), adopt an ordinance to impose an
4 annual wheel tax on each vehicle that:
5 (1) is included in one (1) of the classes of vehicles listed in
6 section 3 of this chapter;
7 (2) is not exempt from the wheel tax under section 4 of this
8 chapter; and
9 (3) is registered in the eligible municipality.
10 (b) The fiscal body of an eligible municipality may not adopt an
11 ordinance to impose the wheel tax unless the fiscal body
12 concurrently adopts an ordinance under IC 6-3.5-10 to impose the
13 annual license excise surtax.
14 (c) The fiscal body of an eligible municipality may not adopt an
15 ordinance to impose the wheel tax unless the eligible municipality
16 uses a transportation asset management plan approved by the
17 Indiana department of transportation.
18 (d) The fiscal body of an eligible municipality may impose the
19 wheel tax at a different rate for each of the classes of vehicles listed
20 in section 3 of this chapter. In addition, the fiscal body may
21 establish different rates within the classes of buses, recreational
22 vehicles, semitrailers, trailers, tractors, and trucks based on weight
23 classifications of those vehicles that are established by the bureau
24 of motor vehicles for use throughout Indiana. However, the wheel
25 tax rate for a particular class or weight classification of vehicles
26 may not be less than five dollars (\$5) and may not exceed forty
27 dollars (\$40). The fiscal body shall state the initial wheel tax rates
28 in the ordinance that imposes the tax.
29 Sec. 3. The wheel tax applies to the following classes of vehicles:
30 (1) Buses.
31 (2) Recreational vehicles.
32 (3) Semitrailers.
33 (4) Tractors.
34 (5) Trailers.
35 (6) Trucks.
36 Sec. 4. A vehicle is exempt from the wheel tax imposed under
37 this chapter if the vehicle is:
38 (1) owned by the state;
39 (2) owned by a state agency of the state;
40 (3) owned by a political subdivision of the state;
41 (4) subject to the annual license excise surtax imposed under
42 IC 6-3.5-10; or



1 (5) a bus owned and operated by a religious or nonprofit
2 youth organization and used to transport persons to religious
3 services or for the benefit of its members.

4 **Sec. 5.** If the fiscal body of an eligible municipality adopts an
5 ordinance imposing the wheel tax after December 31 but before
6 July 1 of the following year, a vehicle described in section 2(a) of
7 this chapter is subject to the tax if the vehicle is registered in the
8 adopting municipality after December 31 of the year in which the
9 ordinance is adopted. If a fiscal body adopts an ordinance imposing
10 the wheel tax after June 30 but before the following January 1, a
11 vehicle described in section 2(a) of this chapter is subject to the tax
12 if the vehicle is registered in the adopting municipality after
13 December 31 of the year following the year in which the ordinance
14 is adopted. However, in the first year the tax is effective, the tax
15 does not apply to the registration of a motor vehicle for the
16 registration year that commenced in the calendar year preceding
17 the year the tax is first effective.

18 **Sec. 6. (a)** After January 1 but before July 1 of any year, the
19 fiscal body of an adopting municipality may, subject to the
20 limitations imposed by subsection (b), adopt an ordinance to
21 rescind the wheel tax. If a fiscal body adopts an ordinance to
22 rescind the wheel tax, the wheel tax does not apply to a vehicle
23 registered after December 31 of the year the ordinance is adopted.

24 **(b)** The fiscal body of an adopting municipality may not adopt
25 an ordinance to rescind the wheel tax unless the fiscal body
26 concurrently adopts an ordinance under IC 6-3.5-10 to rescind the
27 annual license excise surtax.

28 **Sec. 7.** The fiscal body of an adopting municipality may adopt
29 an ordinance to increase or decrease the wheel tax rates. The new
30 wheel tax rates must be within the range of rates prescribed by
31 section 2 of this chapter. New rates that are established by an
32 ordinance that is adopted after December 31 but before July 1 of
33 the following year apply to vehicles registered after December 31
34 of the year in which the ordinance to change the rates is adopted.
35 New rates that are established by an ordinance that is adopted
36 after June 30 but before July 1 of the following year apply to motor
37 vehicles registered after December 31 of the year following the
38 year in which the ordinance is adopted.

39 **Sec. 8.** If the fiscal body of an eligible municipality adopts an
40 ordinance to impose, rescind, or change the rates of the wheel tax,
41 the fiscal body shall send a copy of the ordinance to the
42 commissioner of the bureau of motor vehicles.



1 **Sec. 9. (a)** Every owner of a vehicle for which the wheel tax has
2 been paid for the owner's registration year is entitled to a credit if
3 during that registration year the owner sells the vehicle. The
4 amount of the credit equals the wheel tax paid by the owner for the
5 vehicle that was sold. The credit may be applied by the owner only
6 against the wheel tax owed for a vehicle that is purchased during
7 the same registration year.

8 **(b)** An owner of a vehicle is not entitled to a refund of any part
9 of a credit that is not used under this section.

10 **Sec. 10.** A person may not register a vehicle in an adopting
11 municipality unless the person pays the wheel tax due, if any, to the
12 bureau of motor vehicles. The amount of the wheel tax due is based
13 on the wheel tax rate, for that class of vehicle, in effect at the time
14 of registration. The bureau of motor vehicles shall collect the wheel
15 tax due, if any, at the time a motor vehicle is registered. The
16 department or the bureau of motor vehicles, as applicable, may
17 impose a service charge under IC 9-29 for each wheel tax collection
18 made under this chapter.

19 **Sec. 11. (a)** An owner of one (1) or more commercial vehicles
20 paying an apportioned registration to the state under the
21 International Registration Plan that is required to pay a wheel tax
22 shall pay an apportioned wheel tax calculated by dividing in-state
23 actual miles by total fleet miles generated during the preceding
24 year. If in-state miles are estimated for purposes of proportional
25 registration, these miles are divided by total actual and estimated
26 fleet miles. The apportioned wheel tax under this section shall be
27 paid at the same time and in the same manner as the commercial
28 motor vehicle excise tax under IC 6-6-5.5.

29 **(b)** A voucher from the department showing payment of the
30 wheel tax may be accepted by the bureau of motor vehicles instead
31 of the payment required under section 10 of this chapter.

32 **Sec. 12.** On or before the tenth day of the month following the
33 month in which the wheel tax is collected, the bureau of motor
34 vehicles shall remit the wheel tax to the fiscal officer of the
35 adopting municipality that imposed the wheel tax. Concurrently
36 with the remittance, the bureau shall file a wheel tax collections
37 report prepared on forms prescribed by the state board of
38 accounts with the fiscal officer of the adopting municipality.

39 **Sec. 13. (a)** If the wheel tax is collected directly by the bureau of
40 motor vehicles instead of at a branch office, the commissioner of
41 the bureau shall:

42 (1) remit the wheel tax to, and file a wheel tax collections



1 report with, the fiscal officer of the appropriate municipality;
2 and

3 (2) file a wheel tax collections report with the fiscal officer of
4 the appropriate municipality;

5 in the same manner and at the same time that a branch office
6 manager is required to remit and report under section 12 of this
7 chapter.

8 (b) If the wheel tax for a commercial vehicle is collected directly
9 by the department, the commissioner of the department shall:

10 (1) remit the wheel tax to, and file a wheel tax collections
11 report with, the fiscal officer of the appropriate municipality;
12 and

13 (2) file a wheel tax collections report with the fiscal officer of
14 the appropriate municipality;

15 in the same manner and at the same time that a branch office
16 manager is required to remit and report under section 12 of this
17 chapter.

18 Sec. 14. (a) The fiscal officer of an adopting municipality shall
19 deposit the wheel tax revenues in a fund to be known as the
20 "municipal wheel tax fund".

21 (b) An adopting municipality may use the wheel tax revenues
22 that the municipality receives under this section only:

23 (1) to construct, reconstruct, repair, or maintain streets and
24 roads under its jurisdiction; or

25 (2) as a contribution to an authority established under
26 IC 36-7-23.

27 Sec. 15. On or before August 1 of each year, the fiscal officer of
28 an adopting municipality shall provide the fiscal body of the
29 adopting municipality with an estimate of the wheel tax revenues
30 to be received by the adopting municipality during the next
31 calendar year. The adopting municipality shall include the
32 estimated wheel tax revenues in the adopting municipality's budget
33 estimate for the calendar year.

34 Sec. 16. (a) The owner of a vehicle who knowingly registers the
35 vehicle without paying the wheel tax imposed under this chapter
36 with respect to that registration commits a Class B misdemeanor.

37 (b) An employee of the bureau of motor vehicles who recklessly
38 issues a registration on any vehicle without collecting the wheel tax
39 imposed under this chapter with respect to that registration
40 commits a Class B misdemeanor.

41 SECTION 11. IC 6-3.6-6-4, AS ADDED BY P.L.243-2015,
42 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JANUARY 1, 2017]: Sec. 4. The adopting body shall, by ordinance,
 2 determine how the additional revenue from a tax under this chapter
 3 must be allocated in subsequent years. The ordinance must be adopted
 4 before July 1 and first applies in the following year and then thereafter
 5 until it is rescinded or modified. The revenue must be allocated among
 6 the following uses as provided in this chapter:

7 (1) Public safety.

8 **(2) Road and bridge projects.**

9 ~~(2)~~ **(3) Economic development projects.**

10 ~~(3)~~ **(4) Certified shares.**

11 The ordinance may describe the allocation of additional revenue by use
 12 of percentages or dollar amounts.

13 SECTION 12. IC 6-3.6-6-7.5 IS ADDED TO THE INDIANA
 14 CODE AS A NEW SECTION TO READ AS FOLLOWS
 15 [EFFECTIVE JANUARY 1, 2017]: **Sec. 7.5. (a) This section applies**
 16 **to the allocation of additional revenues from a tax under this**
 17 **chapter for road and bridge purposes.**

18 **(b) The amount of the certified distribution that is allocated to**
 19 **road and bridge purposes shall be allocated to the county and each**
 20 **municipality in the county that is carrying out at least one (1) of the**
 21 **road and bridge purposes. For purposes of this subsection, in the**
 22 **case of a consolidated city, the total property taxes imposed by the**
 23 **consolidated city include the property taxes imposed by the**
 24 **consolidated city and all special taxing districts (except for a public**
 25 **library district, a public transportation corporation, and a health**
 26 **and hospital corporation), and all special service districts. The**
 27 **amount allocated under this subsection to a county or municipality**
 28 **that is entitled to a distribution under this section for the calendar**
 29 **year is equal to the product of:**

30 **(1) the amount of the certified distribution that is allocated to**
 31 **road and bridge purposes; multiplied by**

32 **(2) a fraction equal to:**

33 **(A) the result of the attributed allocation amount of the**
 34 **county or municipality for the calendar year; divided by**

35 **(B) the sum of the attributed allocation amounts of the**
 36 **county and each municipality in the county that is entitled**
 37 **to a distribution under this section for the calendar year.**

38 **(c) A county or municipality may use money allocated to the**
 39 **county or the municipality under subsection (b) only for:**

40 **(1) the county's or municipality's contribution to the funding**
 41 **of an eligible project (as defined in IC 8-23-30-1) for which**
 42 **the county or municipality is seeking a matching grant under**



1 **IC 8-23-30; or**

2 **(2) a purpose described in IC 8-14-2-5(1).**

3 SECTION 13. IC 6-3.6-6-10, AS ADDED BY P.L.243-2015,
4 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JANUARY 1, 2017]: Sec. 10. (a) This section applies to additional
6 revenue from a tax under this chapter that is allocated for certified
7 shares.

8 (b) Additional revenue remaining from a tax imposed under this
9 chapter, after deducting the amounts allocated to public safety
10 purposes, **road and bridge purposes**, and economic development
11 purposes, shall be allocated among the civil taxing units as certified
12 shares.

13 SECTION 14. IC 6-3.6-9-5, AS ADDED BY P.L.243-2015,
14 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JANUARY 1, 2017]: Sec. 5. (a) Before August 2 of each calendar year,
16 the budget agency shall provide to the department of local government
17 finance and the county auditor of each adopting county an estimate of
18 the amount determined under section 4 of this chapter that will be
19 distributed to the county, based on known tax rates. Not later than
20 fifteen (15) days after receiving the estimate of the certified
21 distribution, the department of local government finance shall
22 determine for each taxing unit and notify the county auditor of the
23 estimated amount of property tax credits, school distributions, public
24 safety revenue, **road and bridge revenue**, economic development
25 revenue, certified shares, and special purpose revenue that will be
26 distributed to the taxing unit under this chapter during the ensuing
27 calendar year. Not later than thirty (30) days after receiving the
28 department's estimate, the county auditor shall notify each taxing unit
29 of the amounts estimated for the taxing unit.

30 (b) Before October 1 of each calendar year, the budget agency shall
31 certify to the department of local government finance and the county
32 auditor of each adopting county:

- 33 (1) the amount determined under section 4 of this chapter; and
34 (2) the amount of interest in the county's account that has accrued
35 and has not been included in a certification made in a preceding
36 year.

37 The amount certified is the county's certified distribution for the
38 immediately succeeding calendar year. The amount certified shall be
39 adjusted, as necessary, under sections 6, 7, and 8 of this chapter. Not
40 later than fifteen (15) days after receiving the amount of the certified
41 distribution, the department of local government finance shall
42 determine for each taxing unit and notify the county auditor of the



1 certified amount of property tax credits, school distributions, public
 2 safety revenue, **road and bridge revenue**, economic development
 3 revenue, certified shares, and special purpose revenue that will be
 4 distributed to the taxing unit under this chapter during the ensuing
 5 calendar year. Not later than thirty (30) days after receiving the
 6 department's estimate, the county auditor shall notify each taxing unit
 7 of the certified amounts for the taxing unit.

8 SECTION 15. IC 6-6-1.1-201 IS AMENDED TO READ AS
 9 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 201. **(a)** A license
 10 tax of ~~eighteen cents (\$0.18) per gallon~~ is imposed on the use of all
 11 gasoline used in Indiana **at the applicable rate specified in subsection**
 12 **(b)**, except as otherwise provided by this chapter. The distributor shall
 13 initially pay the tax on the billed gallonage of all gasoline the
 14 distributor receives in this state, less any deductions authorized by this
 15 chapter. The distributor shall then add the per gallon amount of tax to
 16 the selling price of each gallon of gasoline sold in this state and
 17 collected from the purchaser so that the ultimate consumer bears the
 18 burden of the tax.

19 **(b) The license tax described in subsection (a) is imposed at one**
 20 **(1) of the following rates, as applicable:**

21 **(1) Before July 1, 2016, eighteen cents (\$0.18) per gallon.**

22 **(2) After June 30, 2016, the product of the following, rounding**
 23 **the result of the multiplication to the nearest cent:**

24 **(A) Eighteen cents (\$0.18) per gallon.**

25 **(B) The factor determined under IC 6-6-1.6-2.**

26 **The department shall publish the rate determined under this**
 27 **subdivision on the department's Internet web site not later**
 28 **than June 1, 2016.**

29 SECTION 16. IC 6-6-1.6 IS ADDED TO THE INDIANA CODE
 30 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 31 UPON PASSAGE]:

32 **Chapter 1.6. Fuel Tax Index Factors**

33 **Sec. 1. The following definitions apply throughout this chapter:**

34 **(1) "CPI-U" means the Consumer Price Index for all Urban**
 35 **Consumers, U.S. city average, all items, using the index base**
 36 **period of 1982-84 equal to one hundred (100), as published by**
 37 **the Bureau of Labor Statistics of the United States**
 38 **Department of Labor.**

39 **(2) "Department" refers to the department of state revenue.**

40 **(3) "NHCCI" means the National Highway Construction Cost**
 41 **Index as published by the Federal Highway Administration of**
 42 **the United States Department of Transportation.**



1 **Sec. 2. (a) The department shall calculate the factor specified in**
 2 **subsection (b) before June 1, 2016.**

3 **(b) The fuel tax index factor in this section equals the factor**
 4 **determined in STEP FOUR of the following formula:**

5 **STEP ONE: Divide the annual CPI-U for 2015 by the annual**
 6 **CPI-U for 2002.**

7 **STEP TWO: Divide the annual NHCCI for 2015 by the**
 8 **annual NHCCI for 2003.**

9 **STEP THREE: Add:**

10 **(A) the STEP ONE result; and**

11 **(B) the STEP TWO result.**

12 **STEP FOUR: Divide the STEP THREE result by two (2).**

13 SECTION 17. IC 6-6-2.5-22.5 IS ADDED TO THE INDIANA
 14 CODE AS A NEW SECTION TO READ AS FOLLOWS
 15 [EFFECTIVE UPON PASSAGE]: **Sec. 22.5. As used in this chapter,**
 16 **"special fuel gallon" means:**

17 **(1) except as provided in subdivisions (2) and (3), a gallon of**
 18 **special fuel;**

19 **(2) a diesel gallon equivalent (as defined in IC 6-6-4.1-1(f)), in**
 20 **the case of a special fuel that is liquid natural gas; or**

21 **(3) a gasoline gallon equivalent (as defined in IC 6-6-4.1-1(g)),**
 22 **in the case of a special fuel that is compressed natural gas.**

23 SECTION 18. IC 6-6-2.5-28, AS AMENDED BY P.L.190-2014,
 24 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 UPON PASSAGE]: **Sec. 28. (a) A license tax of sixteen cents (\$0.16)**
 26 **per:**

27 ~~(1) gallon;~~

28 ~~(2) diesel gallon equivalent (as defined in IC 6-6-4.1-1(f)); in the~~
 29 ~~case of a special fuel that is liquid natural gas; or~~

30 ~~(3) gasoline gallon equivalent (as defined in IC 6-6-4.1-1(g)); in~~
 31 ~~the case of a special fuel that is compressed natural gas;~~

32 is imposed on all special fuel sold or used in producing or generating
 33 power for propelling motor vehicles, except fuel used under section
 34 30(a)(8) or 30.5 of this chapter, **at the applicable rate specified in**
 35 **subsection (b).** The tax shall be paid at those times, in the manner, and
 36 by those persons specified in this section and section 35 of this chapter.

37 **(b) The license tax described in subsection (a) is imposed at one**
 38 **(1) of the following rates, as applicable:**

39 **(1) Before July 1, 2016, sixteen cents (\$0.16) per special fuel**
 40 **gallon.**

41 **(2) After June 30, 2016, the product of the following, rounding**
 42 **the result of the multiplication to the nearest cent:**



1 **(A) Sixteen cents (\$0.16) per special fuel gallon.**

2 **(B) The factor determined under IC 6-6-1.6-2.**

3 **The department shall publish the rate determined under this**
 4 **subdivision on the department's Internet web site not later**
 5 **than June 1, 2016.**

6 ~~(b)~~ **(c)** The department shall consider it a rebuttable presumption
 7 that all undyed or unmarked special fuel, or both, received in Indiana
 8 is to be sold for use in propelling motor vehicles.

9 ~~(c)~~ **(d)** Except as provided in subsection ~~(d)~~; **(e)**, the tax imposed on
 10 special fuel by subsection (a) shall be measured by invoiced gallons (or
 11 diesel or gasoline gallon equivalents in the case of a special fuel
 12 described in ~~subsection (a)(2) or (a)(3)~~ **section 22.5(2) or 22.5(3) of**
 13 **this chapter** of nonexempt special fuel received by a licensed supplier
 14 in Indiana for sale or resale in Indiana or with respect to special fuel
 15 subject to a tax precollection agreement under section 35(d) of this
 16 chapter, such special fuel removed by a licensed supplier from a
 17 terminal outside of Indiana for sale for export or for export to Indiana
 18 and in any case shall generally be determined in the same manner as
 19 the tax imposed by Section 4081 of the Internal Revenue Code and
 20 Code of Federal Regulations.

21 ~~(d)~~ **(e)** The tax imposed by subsection (a) on special fuel imported
 22 into Indiana, other than into a terminal, is imposed at the time the
 23 product is entered into Indiana and shall be measured by invoiced
 24 gallons received at a terminal or at a bulk plant.

25 ~~(e)~~ **(f)** In computing the tax, all special fuel in process of transfer
 26 from tank steamers at boat terminal transfers and held in storage
 27 pending wholesale bulk distribution by land transportation, or in tanks
 28 and equipment used in receiving and storing special fuel from interstate
 29 pipelines pending wholesale bulk reshipment, shall not be subject to
 30 tax.

31 ~~(f)~~ **(g)** The department shall consider it a rebuttable presumption
 32 that special fuel consumed in a motor vehicle plated for general
 33 highway use is subject to the tax imposed under this chapter. A person
 34 claiming exempt use of special fuel in such a vehicle must maintain
 35 adequate records as required by the department to document the
 36 vehicle's taxable and exempt use.

37 ~~(g)~~ **(h)** A person that engages in blending fuel for taxable sale or use
 38 in Indiana is primarily liable for the collection and remittance of the tax
 39 imposed under subsection (a). The person shall remit the tax due in
 40 conjunction with the filing of a monthly report in the form prescribed
 41 by the department.

42 ~~(h)~~ **(i)** A person that receives special fuel that has been blended for



1 taxable sale or use in Indiana is secondarily liable to the state for the
2 tax imposed under subsection (a).

3 (i) A person may not use special fuel on an Indiana public
4 highway if the special fuel contains a sulfur content that exceeds five
5 one-hundredths of one percent (0.05%). A person who knowingly:

- 6 (1) violates; or
7 (2) aids or abets another person to violate;

8 this subsection commits a Class A infraction. However, the violation
9 is a Class A misdemeanor if the person has committed one (1) prior
10 unrelated violation of this subsection, and a Level 6 felony if the person
11 has committed more than one (1) unrelated violation of this subsection.

12 SECTION 19. IC 6-6-2.5-62, AS AMENDED BY P.L.158-2013,
13 SECTION 98, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 UPON PASSAGE]: Sec. 62. (a) No person shall import, sell, use,
15 deliver, or store in Indiana special fuel in bulk as to which dye or a
16 marker, or both, has not been added in accordance with section 31 of
17 this chapter, or as to which the tax imposed by this chapter has not
18 been paid to or accrued by a licensed supplier or licensed permissive
19 supplier as shown by a notation on a terminal-issued shipping paper
20 subject to the following exceptions:

21 (1) A supplier shall be exempt from this provision with respect to
22 special fuel manufactured in Indiana or imported by pipeline or
23 waterborne barge and stored within a terminal in Indiana.

24 (2) An end user shall be exempt from this provision with respect
25 to special fuel in a vehicle supply tank when the fuel was placed
26 in the vehicle supply tank outside of Indiana.

27 (3) A licensed importer, and transporter operating on the
28 importer's behalf, that transports in vehicles with a capacity of
29 more than five thousand four hundred (5,400) gallons, shall be
30 exempt from this prohibition if the importer or the transporter has
31 met all of the following conditions:

32 (A) The importer or the transporter before entering onto the
33 highways of Indiana has obtained an import verification
34 number from the department not earlier than twenty-four (24)
35 hours before entering Indiana.

36 (B) The import verification number must be set out
37 prominently and indelibly on the face of each copy of the
38 terminal-issued shipping paper carried on board the transport
39 truck.

40 (C) The terminal origin and the importer's name and address
41 must be set out prominently on the face of each copy of the
42 terminal-issued shipping paper.



- 1 (D) The terminal-issued shipping paper data otherwise
 2 required by this chapter is present.
- 3 (E) All tax imposed by this chapter with respect to previously
 4 requested import verification number activity on the account
 5 of the importer or the transporter has been timely remitted.
- 6 In every case, a transporter acting in good faith is entitled to rely upon
 7 representations made to the transporter by the fuel supplier or importer
 8 and when acting in good faith is not liable for the negligence or
 9 malfeasance of another person. A person who knowingly violates or
 10 knowingly aids and abets another person in violating this subsection
 11 commits a Level 6 felony.
- 12 (b) No person shall export special fuel from Indiana unless that
 13 person has obtained an exporter's license or a supplier's license or has
 14 paid the destination state special fuel tax to the supplier and can
 15 demonstrate proof of export in the form of a destination state bill of
 16 lading. A person who knowingly violates or knowingly aids and abets
 17 another person in violating this subsection commits a Level 6 felony.
- 18 (c) No person shall operate or maintain a motor vehicle on any
 19 public highway in Indiana with special fuel contained in the fuel supply
 20 tank for the motor vehicle that contains dye or a marker, or both, as
 21 provided under section 31 of this chapter. This provision does not
 22 apply to persons operating motor vehicles that have received fuel into
 23 their fuel tanks outside of Indiana in a jurisdiction that permits
 24 introduction of dyed or marked, or both, special fuel of that color and
 25 type into the motor fuel tank of highway vehicles or to a person that
 26 qualifies for the federal fuel tax exemption under Section 4082 of the
 27 Internal Revenue Code and that is registered with the department as a
 28 dyed fuel user. A person who knowingly:
- 29 (1) violates; or
 30 (2) aids and abets another person in violating;
 31 this subsection commits a Class A infraction. However, the violation
 32 is a Class A misdemeanor if the person has committed one (1) prior
 33 unrelated violation of this subsection, and a Level 6 felony if the person
 34 has committed more than one (1) prior unrelated violation of this
 35 subsection.
- 36 (d) No person shall engage in any business activity in Indiana as to
 37 which a license is required by section 41 of this chapter unless the
 38 person shall have first obtained the license. A person who knowingly
 39 violates or knowingly aids and abets another person in violating this
 40 subsection commits a Level 6 felony.
- 41 (e) No person shall operate a motor vehicle with a capacity of more
 42 than five thousand four hundred (5,400) gallons that is engaged in the



1 shipment of special fuel on the public highways of Indiana and that is
 2 destined for a delivery point in Indiana, as shown on the
 3 terminal-issued shipping papers, without having on board a
 4 terminal-issued shipping paper indicating with respect to any special
 5 fuel purchased:

6 (1) under claim of exempt use, a notation describing the load or
 7 the appropriate portion of the load as Indiana tax exempt special
 8 fuel;

9 (2) if not purchased under a claim of exempt use, a notation
 10 describing the load or the appropriate portion thereof as Indiana
 11 taxed or pretaxed special fuel; or

12 (3) if imported by or on behalf of a licensed importer instead of
 13 the pretaxed notation, a valid verification number provided before
 14 entry into Indiana by the department or the department's designee
 15 or appointee, and the valid verification number may be
 16 handwritten on the shipping paper by the transporter or importer.

17 A person is in violation of subdivision (1) or (2) (whichever applies) if
 18 the person boards the vehicle with a shipping paper that does not meet
 19 the requirements described in the applicable subdivision (1) or (2). A
 20 person in violation of this subsection commits a Class A infraction (as
 21 defined in IC 34-28-5-4).

22 (f) A person may not sell or purchase any product for use in the
 23 supply tank of a motor vehicle for general highway use that does not
 24 meet ASTM standards as published in the annual Book of Standards
 25 and its supplements unless amended or modified by rules adopted by
 26 the department under IC 4-22-2. The transporter and the transporter's
 27 agent and customer have the exclusive duty to dispose of any product
 28 in violation of this section in the manner provided by federal and state
 29 law. A person who knowingly:

30 (1) violates; or

31 (2) aids and abets another in violating;

32 this subsection commits a Level 6 felony.

33 (g) This subsection does not apply to the following:

34 (1) A person that:

35 (A) inadvertently manipulates the dye or marker concentration
 36 of special fuel or coloration of special fuel; and

37 (B) contacts the department within one (1) business day after
 38 the date on which the contamination occurs.

39 (2) A person that affects the dye or marker concentration of
 40 special fuel by engaging in the blending of the fuel, if the blender:

41 (A) collects or remits, or both, all tax due as provided in
 42 section ~~28(g)~~ **28(h)** of this chapter;



1 (B) maintains adequate records as required by the department
 2 to account for the fuel that is blended and its status as a
 3 taxable or exempt sale or use; and

4 (C) is otherwise in compliance with this subsection.

5 A person may not manipulate the dye or marker concentration of a
 6 special fuel or the coloration of special fuel after the special fuel is
 7 removed from a terminal or refinery rack for sale or use in Indiana. A
 8 person who knowingly violates or aids and abets another person to
 9 violate this subsection commits a Level 6 felony.

10 (h) This subsection does not apply to a person that receives blended
 11 fuel from a person in compliance with subsection (g)(2). A person may
 12 not sell or consume special fuel if the special fuel dye or marker
 13 concentration or coloration has been manipulated, inadvertently or
 14 otherwise, after the special fuel has been removed from a terminal or
 15 refinery rack for sale or use in Indiana. A person who knowingly:

16 (1) violates; or

17 (2) aids and abets another to violate;

18 this subsection commits a Level 6 felony.

19 (i) A person may not engage in blending fuel for taxable use in
 20 Indiana without collecting and remitting the tax due on the untaxed
 21 portion of the fuel that is blended. A person who knowingly:

22 (1) violates; or

23 (2) aids and abets another to violate;

24 this subsection commits a Level 6 felony.

25 SECTION 20. IC 6-6-2.5-64 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 64. (a) If any
 27 person liable for the tax files a false or fraudulent return, there shall be
 28 added to the tax an amount equal to the tax the person evaded or
 29 attempted to evade.

30 (b) The department shall impose a civil penalty of one thousand
 31 dollars (\$1,000) for a person's first occurrence of transporting special
 32 fuel without adequate shipping papers as required under sections 40,
 33 41(g), and 62(e) of this chapter, unless the person shall have complied
 34 with rules adopted under IC 4-22-2. Each subsequent occurrence
 35 described in this subsection is subject to a civil penalty of five thousand
 36 dollars (\$5,000).

37 (c) The department shall impose a civil penalty on the operator of
 38 a vehicle of two hundred dollars (\$200) for the initial occurrence, two
 39 thousand five hundred dollars (\$2,500) for the second occurrence, and
 40 five thousand dollars (\$5,000) for the third and each subsequent
 41 occurrence of a violation of either:

42 (1) the prohibition of use of dyed or marked special fuel, or both,



- 1 on the Indiana public highways, except for a person that qualifies
 2 for the federal fuel tax exemption under Section 4082 of the
 3 Internal Revenue Code and that is registered with the department
 4 as a dyed fuel user; or
 5 (2) the use of special fuel in violation of section ~~28(i)~~ **28(j)** of this
 6 chapter.
- 7 (d) A supplier that makes sales for export to a person:
 8 (1) who does not have an appropriate export license; or
 9 (2) without collection of the destination state tax on special fuel
 10 nonexempt in the destination state;
 11 shall be subject to a civil penalty equal to the amount of Indiana's
 12 special fuel tax in addition to the tax due.
- 13 (e) The department may impose a civil penalty of one thousand
 14 dollars (\$1,000) for each occurrence against every terminal operator
 15 that fails to meet shipping paper issuance requirements under section
 16 40 of this chapter.
- 17 (f) Each importer or transporter who knowingly imports undyed or
 18 unmarked special fuel, or both, in a transport truck without:
 19 (1) a valid importer license;
 20 (2) a supplier license;
 21 (3) an import verification number, if transporting in a vehicle with
 22 a capacity of more than five thousand four hundred (5,400)
 23 gallons; or
 24 (4) a shipping paper showing on the paper's face as required under
 25 this chapter that Indiana special fuel tax is not due;
 26 is subject to a civil penalty of ten thousand dollars (\$10,000) for each
 27 occurrence described in this subsection.
- 28 (g) This subsection does not apply to a person if section 62(g) of this
 29 chapter does not apply to the person. A:
 30 (1) person that manipulates the dye or marker concentration of
 31 special fuel or the coloration of special fuel after the special fuel
 32 is removed from a terminal or refinery rack for sale or use in
 33 Indiana; and
 34 (2) person that receives the special fuel;
 35 are jointly and severally liable for the special fuel tax due on the
 36 portion of untaxed fuel plus a penalty equal to the greater of one
 37 hundred percent (100%) of the tax due or one thousand dollars
 38 (\$1,000).
- 39 (h) A person that engages in blending fuel for taxable sale or use in
 40 Indiana and does not collect and remit all tax due on untaxed fuel that
 41 is blended is liable for the tax due plus a penalty that is equal to the
 42 greater of one hundred percent (100%) of the tax due or one thousand



- 1 dollars (\$1,000).
- 2 SECTION 21. IC 6-6-4.1-4.5, AS AMENDED BY P.L.277-2013,
 3 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 4 UPON PASSAGE]: Sec. 4.5. (a) As used in this section, "surcharge
 5 gallon" means, as applicable:
 6 (1) a gallon of gasoline or special fuel (other than natural gas
 7 or an alternative fuel commonly or commercially known or
 8 sold as butane or propane);
 9 (2) a diesel gallon equivalent of a special fuel that is liquid
 10 natural gas; or
 11 (3) a gasoline gallon equivalent of a special fuel that is
 12 compressed natural gas or an alternative fuel commonly or
 13 commercially known or sold as butane or propane.
- 14 (a) (b) A surcharge tax is imposed on the consumption of motor fuel
 15 by a carrier in its operations on highways in Indiana at the applicable
 16 rate specified in subsection (c). The rate of this surcharge tax is
 17 eleven cents (~~\$0.11~~) per:
 18 (1) gallon of gasoline or special fuel (other than natural gas or an
 19 alternative fuel commonly or commercially known or sold as
 20 butane or propane);
 21 (2) diesel gallon equivalent of a special fuel that is liquid natural
 22 gas; or
 23 (3) gasoline gallon equivalent of a special fuel that is compressed
 24 natural gas or an alternative fuel commonly or commercially
 25 known or sold as butane or propane.
- 26 The tax shall be paid quarterly by the carrier to the department on or
 27 before the last day of the month immediately following the quarter.
- 28 (c) The surcharge tax described in subsection (b) is imposed at
 29 one (1) of the following rates, as applicable:
 30 (1) Before July 1, 2016, eleven cents (\$0.11) per surcharge
 31 gallon.
 32 (2) After June 30, 2016, the product of the following, rounding
 33 the result of the multiplication to the nearest cent:
 34 (A) Eleven cents (\$0.11) per surcharge gallon.
 35 (B) The factor determined under IC 6-6-1.6-2.
- 36 The department shall publish the rate determined under this
 37 subdivision on the department's Internet web site not later
 38 than June 1, 2016.
- 39 (b) (d) The amount of motor fuel consumed by a carrier in its
 40 operations on highways in Indiana is the total amount of motor fuel
 41 consumed in its entire operations within and without Indiana,
 42 multiplied by a fraction. The numerator of the fraction is the total



1 number of miles traveled on highways in Indiana, and the denominator
2 of the fraction is the total number of miles traveled within and without
3 Indiana.

4 ~~(c)~~ (e) The amount of tax that a carrier shall pay for a particular
5 quarter under this section equals the product of the tax rate in effect for
6 that quarter, multiplied by the amount of motor fuel consumed by the
7 carrier in its operation on highways in Indiana.

8 ~~(d)~~ (f) Subject to section 4.8 of this chapter, a carrier is entitled to
9 a proportional use credit against the tax imposed under this section for
10 that portion of motor fuel used to propel equipment mounted on a
11 motor vehicle having a common reservoir for locomotion on the
12 highway and the operation of this equipment as determined by rule of
13 the commissioner. An application for a proportional use credit under
14 this subsection shall be filed on a quarterly basis on a form prescribed
15 by the department.

16 SECTION 22. IC 6-7-1-0.5 IS ADDED TO THE INDIANA CODE
17 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
18 1, 2016]: **Sec. 0.5. Notwithstanding section 14 of this chapter,**
19 **revenue stamps that are:**

20 **(1) paid for before July 1, 2016, at the tax rate imposed by**
21 **section 12 of this chapter as in effect on June 30, 2016; and**
22 **(2) in the possession of a distributor on June 30, 2016;**
23 **may be used after June 30, 2016. No additional tax imposed by**
24 **section 12 of this chapter must be remitted to the department with**
25 **respect to revenue stamps described in this section.**

26 SECTION 23. IC 6-7-1-12, AS AMENDED BY P.L.218-2007,
27 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
28 JULY 1, 2016]: Sec. 12. (a) The following taxes are imposed, and shall
29 be collected and paid as provided in this chapter, upon the sale,
30 exchange, bartering, furnishing, giving away, or otherwise disposing of
31 cigarettes within the state of Indiana:

32 (1) On cigarettes weighing not more than three (3) pounds per
33 thousand (1,000), a tax at the rate of ~~four and nine hundred~~
34 ~~seventy-five thousandths cents (\$0.04975)~~ **nine and nine**
35 **hundred seventy-five thousandths cents (\$0.09975)** per
36 individual cigarette.

37 (2) On cigarettes weighing more than three (3) pounds per
38 thousand (1,000), a tax at the rate of ~~six and six hundred twelve~~
39 ~~thousandths cents (\$0.06612)~~ **thirteen and two hundred**
40 **fifty-seven thousandths cents (\$0.13257)** per individual
41 cigarette, except that if any cigarettes weighing more than three
42 (3) pounds per thousand (1,000) shall be more than six and



1 one-half (6 1/2) inches in length, they shall be taxable at the rate
 2 provided in subdivision (1), counting each two and three-fourths
 3 (2 3/4) inches (or fraction thereof) as a separate cigarette.

4 (b) Upon all cigarette papers, wrappers, or tubes, made or prepared
 5 for the purpose of making cigarettes, which are sold, exchanged,
 6 bartered, given away, or otherwise disposed of within the state of
 7 Indiana (other than to a manufacturer of cigarettes for use by ~~him~~ **the**
 8 **manufacturer** in the manufacture of cigarettes), the following taxes
 9 are imposed, and shall be collected and paid as provided in this
 10 chapter:

- 11 (1) On fifty (50) papers or less, a tax of one-half cent (\$0.005).
 12 (2) On more than fifty (50) papers but not more than one hundred
 13 (100) papers, a tax of one cent (\$0.01).
 14 (3) On more than one hundred (100) papers, one-half cent
 15 (\$0.005) for each fifty (50) papers or fractional part thereof.
 16 (4) On tubes, one cent (\$0.01) for each fifty (50) tubes or
 17 fractional part thereof.

18 SECTION 24. IC 6-7-1-28.1, AS AMENDED BY P.L.213-2015,
 19 SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JULY 1, 2016]: Sec. 28.1. The taxes, registration fees, fines, or
 21 penalties collected under this chapter shall be deposited in the
 22 following manner:

- 23 (1) ~~Four and twenty-two hundredths percent (4.22%)~~ **Two and**
 24 **fifty-six hundredths percent (2.56%)** of the money shall be
 25 deposited in a fund to be known as the cigarette tax fund.
 26 (2) ~~Six-tenths percent (0.6%)~~ **Three hundred sixty-two**
 27 **thousandths percent (0.362%)** of the money shall be deposited
 28 in a fund to be known as the mental health centers fund.
 29 (3) ~~The following amount of the money~~ **Thirty-four and one**
 30 **hundred fifty-eight thousandths percent (34.158%)** shall be
 31 deposited in the state general fund.
 32 (A) ~~After June 30, 2011, and before July 1, 2013, sixty and~~
 33 ~~twenty-four hundredths percent (60.24%):~~
 34 (B) ~~After June 30, 2013, fifty-six and twenty-four hundredths~~
 35 ~~percent (56.24%):~~
 36 (4) ~~Five and forty-three hundredths percent (5.43%)~~ **Three and**
 37 **three-tenths percent (3.3%)** of the money shall be deposited into
 38 the pension relief fund established in IC 5-10.3-11.
 39 (5) ~~Twenty-seven and five hundredths percent (27.05%)~~ **Sixteen**
 40 **and forty-three hundredths percent (16.43%)** of the money
 41 shall be deposited in the healthy Indiana plan trust fund
 42 established by IC 12-15-44.2-17.



1 (6) ~~Two and forty-six hundredths percent (2.46%)~~ **Forty and**
 2 **seventy-six hundredths percent (40.76%)** of the money shall be
 3 deposited in the state general fund for the purpose of paying
 4 appropriations for Medicaid—Current Obligations, for provider
 5 reimbursements.

6 (7) ~~The following amount of the money~~ **Two and forty-three**
 7 **hundredths percent (2.43%)** shall be deposited in the state
 8 retiree health benefit trust fund established by IC 5-10-8-8.5. as
 9 follows:

10 (A) ~~Before July 1, 2011, five and seventy-four hundredths~~
 11 ~~percent (5.74%):~~

12 (B) ~~After June 30, 2011, and before July 1, 2013, zero percent~~
 13 ~~(0%):~~

14 (C) ~~After June 30, 2013, four percent (4%):~~

15 The money in the cigarette tax fund, the mental health centers fund, the
 16 healthy Indiana plan trust fund, or the pension relief fund at the end of
 17 a fiscal year does not revert to the state general fund. However, if in
 18 any fiscal year, the amount allocated to a fund under subdivision (1) or
 19 (2) is less than the amount received in fiscal year 1977, then that fund
 20 shall be credited with the difference between the amount allocated and
 21 the amount received in fiscal year 1977, and the allocation for the fiscal
 22 year to the fund under subdivision (3) shall be reduced by the amount
 23 of that difference. Money deposited under subdivisions (6) through (7)
 24 may not be used for any purpose other than the purpose stated in the
 25 subdivision.

26 SECTION 25. IC 6-8.1-3-26 IS ADDED TO THE INDIANA CODE
 27 AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE
 28 UPON PASSAGE]: **Sec. 26. (a) The department shall:**

29 **(1) study methods of indexing fuel tax rates; and**

30 **(2) report the department's findings under subdivision (1) to**
 31 **the interim study committee on roads and transportation**
 32 **before October 1, 2016.**

33 **The department shall provide any documents prepared by the**
 34 **department as part of the report under subdivision (2) to the**
 35 **legislative services agency in an electronic format under IC 5-14-6.**

36 **(b) This section expires January 1, 2017.**

37 SECTION 26. IC 8-14-8-4 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 4. (a) A qualified**
 39 **county which:**

40 **(1) has adopted the county motor vehicle excise surtax under**
 41 **IC 6-3.5-4 and the county wheel tax under IC 6-3.5-5;**

42 **(2) is imposing the county motor vehicle excise surtax at:**



1 (A) the maximum allowable rate, if the qualified county sets
 2 a county motor vehicle excise surtax rate under
 3 ~~IC 6-3.5-4-2(a)(1)~~; **IC 6-3.5-4-2(b)(1) or IC 6-3.5-4-2(c)(1)**;
 4 or
 5 (B) ~~an the maximum allowable~~ amount, ~~of not less than~~
 6 ~~twenty dollars (\$20)~~; if the qualified county sets the county
 7 motor vehicle excise surtax at a specific amount under
 8 ~~IC 6-3.5-4-2(a)(2)~~; **IC 6-3.5-4-2(b)(2) or IC 6-3.5-4-2(c)(2)**;
 9 and
 10 (3) has not issued bonds under IC 8-14-9;
 11 may apply to the Indiana department of transportation for a loan from
 12 the distressed road fund. At the time of the application, the county shall
 13 notify the department of local government finance that it has made the
 14 application.

15 (b) The application must include, at a minimum:
 16 (1) a map depicting all roads and streets in the system of the
 17 applicant; and
 18 (2) a copy of that county's proposed program of work covering the
 19 current and the immediately following calendar year.

20 SECTION 27. IC 8-14-14.1-5, AS ADDED BY P.L.213-2015,
 21 SECTION 102, IS AMENDED TO READ AS FOLLOWS
 22 [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) After review by the
 23 budget committee, the budget agency may, after June 30, 2015, and
 24 before July 1, 2016, direct the auditor of state to transfer not more than
 25 one hundred million dollars (\$100,000,000) to the fund from the state
 26 general fund. If the budget agency directs the auditor of state to make
 27 such a transfer, the auditor of state shall transfer to the fund the amount
 28 determined by the budget agency. There is appropriated from the state
 29 general fund an amount sufficient to make the transfer under this
 30 subsection.

31 (b) After review by the budget committee, the budget agency may,
 32 after June 30, 2016, and before July 1, 2017, direct the auditor of state
 33 to transfer not more than one hundred million dollars (\$100,000,000)
 34 to the fund from the state general fund. If the budget agency directs the
 35 auditor of state to make such a transfer, the auditor of state shall
 36 transfer to the fund the amount determined by the budget agency. There
 37 is appropriated from the state general fund an amount sufficient to
 38 make the transfer under this subsection.

39 (c) Notwithstanding section 3(e) of this chapter, if one (1) or more
 40 transfers under subsection (a) ~~or (b)~~ are made to the fund, the budget
 41 agency may after review by the budget committee transfer from the
 42 fund to the major moves construction fund established by IC 8-14-14-5



- 1 an amount equal to the lesser of:
- 2 (1) ~~two~~ **one** hundred million dollars ~~(\$200,000,000);~~
- 3 **(\$100,000,000);** or
- 4 (2) the total amount of any transfers under subsection (a) ~~or (b)~~
- 5 that are made to the fund.
- 6 (d) Money that is transferred as described in subsection (c) may be
- 7 used for any purpose of the major moves construction fund.
- 8 (e) **Notwithstanding section 3(e) of this chapter, if one (1) or**
- 9 **more transfers under subsection (b) are made to the fund, the**
- 10 **budget agency may after review by the budget committee transfer**
- 11 **from the fund to the state highway fund created by IC 8-23-9-54 an**
- 12 **amount equal to the lesser of:**
- 13 **(1) one hundred million dollars (\$100,000,000); or**
- 14 **(2) the total amount of any transfers under subsection (b) that**
- 15 **are made to the fund.**
- 16 (f) Money that is transferred as described in subsection (e) may
- 17 be used only for preserving or reconstructing existing state
- 18 highways and bridges for which the department is responsible.
- 19 SECTION 28. IC 8-15-3-0.5 IS ADDED TO THE INDIANA CODE
- 20 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
- 21 UPON PASSAGE]: **Sec. 0.5. As used in this chapter, "authority"**
- 22 **refers to the Indiana finance authority established under IC 4-4-11.**
- 23 SECTION 29. IC 8-15-3-36 IS ADDED TO THE INDIANA CODE
- 24 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
- 25 UPON PASSAGE]: **Sec. 36. (a) Before July 1, 2016, the department**
- 26 **shall submit a request to the Federal Highway Administration for**
- 27 **a waiver to toll lanes on the following interstate highways:**
- 28 **(1) Interstate 65.**
- 29 **(2) Interstate 70.**
- 30 **(3) Interstate 80/94.**
- 31 **(b) Before January 1, 2017, the department shall:**
- 32 **(1) conduct a feasibility study on tolling the interstate**
- 33 **highways listed in subsection (a)(1) through (a)(3); and**
- 34 **(2) present the feasibility study to the budget committee for**
- 35 **review.**
- 36 SECTION 30. IC 8-23-2-19 IS ADDED TO THE INDIANA CODE
- 37 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 38 1, 2016]: **Sec. 19. (a) There is appropriated two hundred fifty**
- 39 **thousand dollars (\$250,000) from the state highway fund to the**
- 40 **department for the local technical assistance program under**
- 41 **section 5(a)(6) of this chapter for the state fiscal year beginning**
- 42 **July 1, 2016, in order to develop a data collection system capable**



1 of collecting and compiling data from local units of government
2 that are responsible for overseeing roads and streets.

3 (b) The data to be collected by the data collection system
4 described in subsection (a) must include the following:

- 5 (1) Accounting for all revenue streams dedicated to local road
6 maintenance and construction.
7 (2) Actual expenditures on maintenance and construction.
8 (3) Planned expenditures on maintenance and construction.
9 (4) Deferred maintenance.

10 (c) The department shall submit a report on the department's
11 progress in developing the data collection system described in
12 subsections (a) and (b) to the legislative council in an electronic
13 format under IC 5-14-6 not later than November 1, 2017.

14 (d) This section expires January 1, 2018.

15 SECTION 31. IC 8-23-30 IS ADDED TO THE INDIANA CODE
16 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
17 UPON PASSAGE]:

18 **Chapter 30. Local Road and Bridge Matching Grant Fund**

19 **Sec. 1. The following definitions apply throughout this chapter:**

- 20 (1) "Eligible project" means a project:
21 (A) that is undertaken by a local unit;
22 (B) that repairs or increases the capacity of local roads and
23 bridges;
24 (C) that is part of the local unit's transportation asset
25 management plan; and
26 (D) for which the local unit provides funds for at least ten
27 percent (10%) of the total project cost.
28 (2) "Fund" refers to the local road and bridge matching grant
29 fund established by section 2 of this chapter.
30 (3) "Local unit" means a county or municipality.

31 **Sec. 2. (a) The local road and bridge matching grant fund is**
32 **established to provide matching grants to local units for eligible**
33 **projects.**

34 (b) The department shall administer the fund.

35 (c) The fund consists of the following:

- 36 (1) Appropriations by the general assembly.
37 (2) Interest deposited in the fund under subsection (d).
38 (3) Money deposited in or transferred to the fund from any
39 other source.

40 (d) The treasurer of state shall invest money in the fund not
41 currently needed to meet the obligations of the fund in the same
42 manner as other public money may be invested. Interest that



1 accrues from these investments shall be deposited in the fund.

2 (e) Money in the fund at the end of a state fiscal year does not
3 revert to the state general fund.

4 (f) Money in the fund is continuously appropriated for the
5 purpose of the fund.

6 **Sec. 3.** A local unit that uses a transportation asset management
7 plan approved by the department may apply to the department for
8 a grant from the fund for an eligible project. The application must
9 be in the form and manner prescribed by the department.

10 **Sec. 4.** A local unit's application for a grant from the fund must
11 specify the amount of money that the local unit is committing to
12 contribute to the eligible project.

13 **Sec. 5.** In the evaluation of an application for a grant from the
14 fund, the department shall give preference to projects that are
15 anticipated by the department to have the greatest regional
16 economic significance for the region in which the local unit is
17 located.

18 **Sec. 6.** If the department approves a grant to a local unit under
19 this chapter, the amount of the grant from the fund is equal to the
20 amount that the local unit commits to contribute to the proposed
21 eligible project.

22 **Sec. 7.** The department may adopt guidelines to implement this
23 chapter.

24 SECTION 32. IC 9-29-5-47 IS ADDED TO THE INDIANA CODE
25 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
26 UPON PASSAGE]: **Sec. 47.** (a) The fee in this section applies after
27 December 31, 2016, to each electric vehicle that is required to be
28 registered under IC 9-18.

29 (b) As used in this section, "electric vehicle" means a vehicle
30 that:

31 (1) is propelled by an electric motor powered by a battery or
32 other electrical device incorporated into the vehicle; and

33 (2) is not propelled by an engine powered by the combustion
34 of a hydrocarbon fuel, including gasoline, diesel, propane, or
35 liquid natural gas.

36 (c) In addition to any other fee required to register an electric
37 vehicle under this chapter, the supplemental fee to register an
38 electric vehicle is one hundred dollars (\$100). The fee shall be
39 distributed to the local road and bridge matching grant fund
40 established under IC 8-23-30.

41 SECTION 33. IC 35-52-6-24.7 IS ADDED TO THE INDIANA
42 CODE AS A NEW SECTION TO READ AS FOLLOWS



1 [EFFECTIVE UPON PASSAGE]: **Sec. 24.7. IC 6-3.5-10-13 defines**
2 **crimes concerning the municipal motor vehicle license excise**
3 **surtax.**
4 SECTION 34. IC 35-52-6-24.8 IS ADDED TO THE INDIANA
5 CODE AS A NEW SECTION TO READ AS FOLLOWS
6 [EFFECTIVE UPON PASSAGE]: **Sec. 24.8. IC 6-3.5-11-16 defines**
7 **crimes concerning the municipal wheel tax.**
8 SECTION 35. [EFFECTIVE UPON PASSAGE] (a) There is
9 appropriated two million dollars (\$2,000,000) from the state
10 general fund to the state department of health for its use in
11 administering the tobacco use prevention and cessation program
12 for the state fiscal year beginning July 1, 2016.
13 (b) The appropriation in subsection (a) is in addition to the
14 appropriation in P.L.213-2015, SECTION 8, of five million dollars
15 (\$5,000,000) from the tobacco master settlement agreement fund
16 to the state department of health for the tobacco use prevention
17 and cessation program for the state fiscal year beginning July 1,
18 2016.
19 (c) This SECTION expires July 1, 2017.
20 SECTION 36. An emergency is declared for this act.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Roads and Transportation, to which was referred House Bill 1001, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 4, line 37, strike "forty-eight" and insert "**thirty-eight**".

Page 4, line 38, delete "(99.848%)" and insert "**(99.838%)**".

Page 4, line 42, delete "(2)".

Page 4, line 42, strike "Twenty-nine thousandths of one percent (0.029%)" and insert "**(2) Thirty-one thousandths of one percent (0.031%)**".

Page 5, line 3, strike "twenty-three" and insert "**thirty-one**".

Page 5, line 4, strike "(0.123%)" and insert "**(0.131%)**".

Page 26, between lines 13 and 14, begin a new paragraph and insert:
"SECTION 22. IC 6-7-1-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 0.5. Notwithstanding section 14 of this chapter, revenue stamps that are:**

(1) paid for before July 1, 2016, at the tax rate imposed by section 12 of this chapter as in effect on June 30, 2016; and

(2) in the possession of a distributor on June 30, 2016;

may be used after June 30, 2016. No additional tax imposed by section 12 of this chapter must be remitted to the department with respect to revenue stamps described in this section."

Page 27, line 14, delete "Thirty-six hundredths percent" and insert "**Three hundred sixty-two thousandths percent (0.362%)**".

Page 27, line 15, delete "(0.36%)".

Page 27, line 17, delete "sixteen" and insert "**one hundred fifty-eight thousandths percent (34.158%)**".

Page 27, line 18, delete "hundredths percent (34.16%)".

Page 30, line 17, delete "69." and insert "**70.**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1001 as introduced.)

SOLIDAY

Committee Vote: yeas 8, nays 5.

HB 1001—LS 6958/DI 113

